CASE NO. 07 CIV 8304

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
-----X
NEW YUEN FAT GARMENTS FACTORY LIMITED,
Plaintiff,
-against-

AUGUST SILK, INC., and DIRECT APPAREL SOURCING, INC.,

Defendants.

-----X

RULE 7.1 STATEMENT

Pursuant to Rule 7.1 of the Federal Rules of Civil Procedure, the undersigned counsel for Plaintiff, New Yuen Fat Garments Factory Limited, certifies upon information and belief that the following are corporate parents, subsidiaries, or affiliates which are publicly held:

None.

Dated: New York, New York

November 16, 2007

Respectfully submitted,

Peter E. Sverd, Esq (6754)

Yuen Roccanova Seltzer & Sverd LLP Co-counsel for plaintiff 132 Nassau Street, Suite 1300 NewYork, New York 10038

(212) 608-1178

To: Harlan M. Lazarus, Esq.
Lazarus & Lazarus, P.C.
Attorneys for defendants August Silk, Inc.
240 Madison Avenue
New York, New York 10016

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Affidavit of Service

I, Kit Ling Huang, being sworn, say:

- 1. I am not a party to the action, am over 18 years of age and reside in Kings County, State of New York.
- 2. On November 16th, 2007 I served the within Rule 7.1 Statement by depositing a true copy thereof enclosed in a post-paid wrapper, in an official depository under the exclusive care and custody of the U.S. Postal Service within New York State, addressed to the following person(s):
 - Lazarus & Lazarus, P.C.
 Attn: Harlan M. Lazarus
 240 Madison Avenue, 8th Floor
 New York, New York 10016

Kit Ling Huang

Duly sworn to before me

this L day of November 2007.

PETER E. SVERD
Notary Public, State of New York
No. 02SV6108393
Qualified in Suffolk County
Commission Expires April 19, 20